HOUSTON COUNTY

304 South Marshall Street
Caledonia, MN 55921
TEL (507) 725-5815

Commissioners:
District 1
Cindy Wright
District 2
Eric Johnson
District 3
Kurt Zehnder
District 4
Bob Schuldt
District 5
Greg Myhre

HOUSTON COUNTY BOARD OF COMMISSIONERS
BOARD MEETING

9:00, November 24th, 2026, County Board Room 222, Historic Courthouse

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

APPROVE AGENDA

APPROVE PREVIOUS MINUTES
-Board Meeting November 17th, 2026

PUBLIC COMMENT

APPOINTMENTS

CONSENT AGENDA
(Routine business items enacted by one unanimous motion. Commissioners may request moving items on the consent agenda to the Action Item list (prior to the full agenda being approved) if they desire discussion before taking action.)

Appointment Request:

Consent Agenda Request:

1) Approve the hire of Diana Horman as a Child Support Officer (B24, Step 2), effective December 14th, 2026. This position has been approved for competitive search and is to fill an open position. (Page 10, Parker)
2) Review and approve payments. (Page 8, Lapham)

Action Item Request:

1) Consider accepting a $9,300 grant award from the Arlin Falck Foundation for project Roaring Grounds. The Houston County EDA is a partner in this project. (Parker)

2) Consider terminating Matt Buley's lease agreement for T-Hangar 3N and approve reimbursing him the balance of his lease. (Page 14, Pogodzinski)
3) Consider approving the airport lease agreements for B2W Corporation, George Bolon, for T-Hangar units 3N and 5N. (Page 14, Pogodzinski)

DISCUSSION ITEMS

1) Discuss Sheriff Swedberg's 2027 Salary
2) Coordinator Updates
3) Board Updates (Board Chairman)
4) Commissioner Reports and Comments

CLOSING PUBLIC COMMENT

ADJOURN

REMINDERS

The County's Truth and Taxation meeting will take place on December 1, 2026 at 6:00 p.m. in the Houston County Board Room 222 in the Historic Courthouse.

What Is Truth in Taxation?

Understanding Your Property Taxes

Truth in Taxation is a process required by Minnesota law that gives residents an opportunity to learn about proposed property taxes before local governments make their final decisions.

Why is it important?

Truth in Taxation allows residents to:

- Learn how their property tax dollars are used.
- Understand why property taxes may increase or decrease.
- Hear about the County's proposed budget and spending.
- Ask questions and share concerns with County Commissioners.

Does a County tax levy increase mean my property taxes will increase by the same percentage?

No. For example, a 7.7% County levy increase means the County plans to collect 7.7% more in property taxes overall, not that every property owner pays 7.7% more. Your bill could rise by more or less than 7.7% or even decrease. It depends on your property's value compared with other properties and taxes from your city, school district, and other taxing authorities.

Can the County change the proposed tax levy?

Yes. The County Board can lower the proposed levy before adopting the final budget and levy in December. Generally, it cannot increase the levy above the amount proposed in September.

What Truth in Taxation Is NOT

It is not a vote on the proposed budget or tax levy. The County Board makes the final decision.

It is not a hearing to appeal your property's assessed value. Property value appeals follow a separate process.

It does not mean everyone's property tax bill changes by the same percentage as the County levy. The levy is the total collected; your tax bill is your share.

Why should I attend?

The Truth in Taxation meeting is your opportunity to learn about the County's financial decisions, understand how public services are funded, and provide feedback before the final property tax levy is adopted.

Houston County is seeking individuals interested in serving on the Planning Commission and Board of Adjustment, with two positions available on each board. The application deadline is December 11, 2026. Interested individuals can apply online at www.hocomn.gov.

The Board of Adjustment and Planning Commission typically meet on the 4th Thursday each month at 5:00 pm in the County Board Room 222. (Meetings only occur if an applicant requests a hearing and may be moved to another week if the regular meeting date falls on a holiday.) Agendas are posted on the County website one week prior to meetings.

None

CONSENT AGENDA

Motion was made by Commissioner Zehnder, seconded by Commissioner Johnson, to approve the consent agenda. Motion carried. Approved items included:

1) Change the classification of Lee Langager from Certified MN Assessor, B23 Step 8, to Certified MN Assessor – Income Qualified, B24 Step 8, retroactive to October 29, 2026.
2) Approve the hire of Tamitha Peter as Assessor's Office Tech Clerk II, B22 Step 3, effective December 18, 2026.
3) Acknowledge the Auditor/Treasurer's Office position vacancy effective November 6, 2026.
4) Acknowledge the Public Health position vacancy effective December 31, 2026.

ACTION ITEMS

File No. 1 – County Engineer Brian Pogodzinski presented Resolution No. 26-32 for final acceptance of CP 2026-06 seal coating completed by Scott Construction, Inc. He reported a final certified amount of approximately $511,137.11, slightly above the original contract due to additional oil required for the work. Motion was made by Commissioner Johnson, seconded by Commissioner Zehnder, to approve the item. Motion carried.

File No. 2 – County Engineer Pogodzinski presented Resolution No. 26-33 for final acceptance of SAP 028-607-008 and SAP 028-618-009, the 2026 paving work on County Highways 7 and 18 completed by Dunn Blacktop. The final certified amount was reported as $4,867,106.67 compared with the original contract of $4,849,285.18. Motion was made by Commissioner Wright, seconded by Commissioner Schuldt, to approve the item. Motion carried.

File No. 3 – County Engineer Pogodzinski presented Resolution No. 26-34 supporting Yucatan Township's application for Local Road Improvement Program funding for improvements to Muhle Coulee Road between CSAH 4 and CSAH 13. Discussion addressed the approximately 2.5-mile project, drainage and crossing improvements, potential paving, and the grant application process. Motion was made by Commissioner Johnson, seconded by Commissioner Schuldt, to approve the item. Motion carried.

File No. 4 – The Board considered the 2027–2028 Southeast Adult Mental Health Initiative Cooperative Agreement. The agreement authorizes Olmsted County to serve as fiscal host for the regional initiative and administration of associated state funding. Motion was made by Commissioner Zehnder, seconded by Commissioner Schuldt, to approve the item. Motion carried.

File No. 5 – The Board considered the Southeast Adult Mental Health Initiative Community-Based Compact and By-Laws. Discussion included the regional initiative's history,

mental health services, and mobile crisis response, including the role of Hiawatha Valley Mental Health Center. Motion was made by Commissioner Wright, seconded by Commissioner Schuldt, to approve the item. Motion carried.

File No. 6 – The Board considered a $200 donation from Brownsville VFW Auxiliary Post 6801 to the Veterans Service Office for veterans' needs. Commissioners expressed appreciation for the organization's continuing support. Motion was made by Commissioner Schuldt, seconded by Commissioner Zehnder, to approve the item. Motion carried.

File No. 7 – Coordinator Parker requested authorization for a competitive search for a Deputy Auditor/Treasurer (B22) to fill an existing budgeted vacancy. He explained that the position would maintain the office's historical staffing level and primarily support Auditor/Treasurer functions, including property-related duties. Motion was made by Commissioner Zehnder, seconded by Commissioner Wright, to approve the item. Motion carried.

File No. 8 – Coordinator Parker requested authorization for a competitive search for a Public Health Nurse (C42) to fill an upcoming retirement vacancy. He discussed the importance of maintaining public health services and the department's additional responsibility for nursing services at the jail. Motion was made by Commissioner Schuldt, seconded by Commissioner Johnson, to approve the item. Motion carried.

DISCUSSION ITEMS

Coordinator Updates – Coordinator Parker reported preparations for the December 1, 2026, Truth in Taxation meeting at 6:00 p.m. and ongoing review of the proposed 2027 budget. He stated that he was working with Finance and department heads to identify potential expenditure reductions and reduce the preliminary levy, then approximately 7.7 percent. He clarified that the hearing would address the preliminary levy and that the final levy could be lower. Parker also noted that several year-end items would be brought before the Board at upcoming meetings.

Board Updates and Commissioner Reports – Commissioners reported on recent and upcoming committee meetings, including Land Use, Personnel, Public Health and Human Services, watershed activities, regional housing and grant matters, and other intergovernmental meetings. The upcoming joint board meeting in Mabel was noted. No formal action was taken.

CLOSING PUBLIC COMMENT

None.

There being no further business, a motion was made by Commissioner Johnson, seconded by Commissioner Schuldt, to adjourn the meeting at approximately 9:40 a.m. Motion carried.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Greg Myhre, Chairperson

Attest: _____
Brent Parker, Coordinator

REQUEST APPROVAL FOR PAYMENT

2026/11/17 COMMISSIONER WARRANTS:

VENDOR NAME	AMOUNT
ABILITY BUILDING COMMUNITY	2,730.11
ACENTEK	4,307.31
CALEDONIA OIL CO INC	9,605.00
CALEDONIA PUBLIC SCHOOLS	16,626.50
CALEDONIA/CITY OF	16,113.54
DS SOLUTIONS INC	2,712.00
DUNN BLACKTOP COMPANY	258,808.74
ENTERPRISE FM	9,152.21
GREAT LAKES SALT COMPANY	125,756.62
GROUNDBREAKING CONNECTIONS LLC	7,083.33
HOUSTON COUNTY TREASURER	20,538.13
HOUSTON COUNTY TREASURER	45,495.62
HOUSTON PUBLIC SCHOOLS-ISD 294	11,493.98
INDEPENDENT DISTRICT #300	23,590.36
INSIGHT PUBLIC SECTOR	2,882.25
KWIK TRIP	5,747.85
LEE AUTO BODY & SALES	4,560.10
MATHY CONSTRUCTION	6,402.90
MIENERGY COOPERATIVE	2,427.72
MILESTONE MATERIALS	37,220.75
MINNESOTA ENERGY RESOURCES	2,878.90
MN DEPT OF CORRECTIONS	52,001.40
MN STATE TREASURER	4,421.00
RICHARD'S SANITATION LLC	23,909.60
SCOTT CONSTRUCTION INC	25,556.86
SPRING GROVE PUBLIC SCHOOL #297	8,289.16
TWIN VILLAGE LLC	2,087.32
VANGUNDY EXCAVATING LLP	33,234.33
VISA	9,654.82
WEX BANK	3,265.34
	778,553.75
54 VENDORS PAID LESS THAN $2000.00	26,510.66
	805,064.41
PUBLIC HEALTH & HUMAN SERVICES	302,032.55
	1,107,096.96

REQUEST APPROVAL FOR PAYMENT

2026/11/24 COMMISSSIONER WARRANTS:

VENDOR NAME	AMOUNT
BRUENING ROCK PRODUCTS INC	9,002.58
COMMISSIONER OF TRANSPORTATION	4,314.76
CONSOLIDATED ENERGY COMPANY	8,502.55
LIBERTY TIRE RECYCLING LLC	7,917.10
MATHY CONSTRUCTION	8,801.24
MATTISON CONTRACTORS INC	7,225.39
MILESTONE MATERIALS	7,993.64
MNCCC	12,291.50
	66,048.76
19 VENDORS PAID LESS THAN $2000.00	7,432.01
	73,480.77
PUBLIC HEALTH & HUMAN SERVICES	35,890.35
	109,371.12

HOUSTON COUNTY

BOARD OF COMMISSIONER MEETING
AGENDA REQUEST FORM

Historic Courthouse
304 S Marshall Street
Caledonia, MN 55921

Board Meeting Date: November 24th 2026
Date Request Submitted: November 19, 2026
Submitted By (Name and Title): Brent Parker, County Coordinator

Please fill in item(s) requested for agenda in correct category below. Add numbers as needed.

Appointment Request:

Consent Agenda Request:

1) Approve the hire of Diana Horman as a Child Support Officer (B24, Step 2), effective December 14th, 2026. This position has been approved for competitive search and is to fill an open position. (Page 9, Parker)

Action Item Request:

1) Consider accepting a $9,300 grant award from the Arlin Falck Foundation for project Roaring Grounds. The Houston County EDA is a partner in this project. (Parker)

Discussion Item:

Background/additional information can be typed below and/or included with request:

Justification to Fill Vacancy Form

Department: Financial Assistance

Position Title: Child Support Officer

Position Classification / Band: B24

Date Vacancy Occurred: August 11, 2026

Section 1: Vacancy Details

1. Reason for Vacancy (check one):
   - ■ Resignation
   - ☐ Retirement
   - ☐ Termination
   - ☐ Internal Promotion/Transfer
   - ☐ New Position Previously Approved
   - ☐ Other:

2. Is this a budgeted position?
   - ■ Yes
   - ☐ No (explain funding source)

Section 2: Operational Impact

1. What essential services or functions are impacted by this vacancy?

   The Child Support Officer works directly with families who have requested or required to work with our local child support agency. The role is imperative in ensuring we are meeting state and federal timelines around processing cases. They work directly with families, employers, attorney's and the courts. They establish, enforce and collect child suppport payments for those receiving child support services. Child Support is a mandated service.

2. What risks exist if this position is not filled (e.g., compliance, safety, service delivery delays)?

   Delays in families receiving the child support they are entitled to. If there are delays in establishing paternity or establishing a court order, families will not have funds they are court ordered to receive. There are also compliance and audit implications. The work of child support does have timelines they need to meet in order to stay in compliance. The work is laid out in statute and law. We also have to be in compliance with the courts and their timelines. Meeting deadlines may impact our ability to draw down incentive dollars if we do not remain in compliance.

3. Can these duties be absorbed by current staff?
   - ☐ Yes Explain Why:
   - ☒ No Staff in the child support unit are newer to the work and aren't able to absorb all of the work. New processes have added to the time it takes to work cases.

Section 3: Alternatives Considered

1. Have you explored restructuring or redistribution of duties?
   - ☒ Yes Explain Why: We look at caseload size and demographics with each new hire. We also look at new or added duties- court fiings
   - ☐ No
2. Could this position be reduced to part-time, seasonal, or contract?
   - ☐ Yes Explain Why:
   - ☒ No No, caseload size and duties are at a level that would require this to be a full time position

Section 4: Financial Considerations

1. Estimated annual cost (salary & benefits): $$97,605
2. Funding source / budget line: Federal and state reimbursement
3. Will overtime, service delays, or other costs increase if left vacant?
   - ☒ Yes Explain Why: We will not have enough staff to cover the caseload and work cases according to policy.
   - ☐ No

Section 5: Department Head Recommendation

Provide a summary justification for why this position should be filled:

Child Support Officers have a wide range of duties when setting up a child support case. They work with multiple parties and the learning curve is steep for this position. It is imperative I replace this person so they will have time to learn their duties and the different facets of child support work. The staff in child support are all new and not replacing this would be a detriment to our clients. We currently have a backlog of modification and contempt cases and staff need to have time to follow up on non-paying cases.

Department Head Signature: Karen Kohlmeyer 10/28/26

Submit Form

HOUSTON COUNTY

BOARD OF COMMISSIONER MEETING
AGENDA REQUEST FORM

Historic Courthouse
304 S Marshall Street
Caledonia, MN 55921

Board Meeting Date: **November 24, 2026**
Date Request Submitted: **November 20, 2026**

Submitted By (Name and Title): Brian Pogodzinski, County Engineer

Please fill in item(s) requested for agenda in correct category below. Add numbers as needed.

Appointment Request:

Consent Agenda Request:

Action Item Request:

1) Consider terminating Matt Buley's lease agreement for T-Hangar 3N and approve reimbursing him the balance of his lease.
2) Consider approving the airport lease agreements for B2W Corporation, George Bolon, for T-Hangar units 3N and 5N.
3)

Discussion Item:

1)

Background/additional information can be typed below and/or included with request:

AIRPORT T-HANGAR LEASE

This agreement, made and entered into on the date indicated below by and between Houston County, hereinafter called the "County," and ~~Win AIR Aviation~~ B2W Corporation, hereinafter called the "Lessee."

WHEREAS, the County owns and operates an airport known as the Houston County Airport (Airport) and Lessee is desirous of leasing from the County a hangar on the Airport, hereinafter more fully described; and

NOW, THEREFORE, for and in consideration of the rental charges, covenants, and agreements herein contained, the Lessee does hereby lease from the County the following premises, rights, and easements on and to the Airport upon the following terms and conditions.

1. **Hangar Description**. County shall hereby lease to Lessee the following Hangar:

   Building # 1 **Bay #** 3N & 5N

   Hanger drawing containing Bay #'s is shown in Appendix A

2. **Term.** The term of this lease shall be for a period commencing on December 1, 2026, and terminating on November 30, 2027. If the Lessee complies with all rules, regulations, terms, and covenants of this lease, the parties can mutually agree to renew for additional 12-month terms, subject to any additional terms and conditions. Each party will notify the other of their intention not to renew the lease no later than 90 days prior to the end of the lease term date. If the parties do not agree to renew this Lease Agreement, the parties will follow the provisions of termination contained in this Lease Agreement.

3. **Rent.** For the term of this lease agreement, Lessee shall pay to County an annual rental fee of **$1800.00 each for Bay #3N & 5N for a total annual rental fee of $3,600.00**.

   Payments shall be made payable to Houston County Treasurer and shall be sent to 304 South Marshall Street, Caledonia, MN 55921, or such other place or electronically as County may designate. The rental rate specified herein shall be subject to reexamination and readjustment as provided below.

   All rental payments shall be received prior to the lease commencement date for which they are due. No statements are sent by the County. Rental payments not received on the due date specified above are subject to a late fee of 10% of the monthly rental payment. If the Lessee makes a payment that is less than the total amount due under this Lease Agreement, or if the County accepts such a lesser payment, it will not be considered a full payment. Instead, it will be treated as a partial payment and will be applied to the Lessee's account based on the County's standard accounting procedures.

4. **Proof of Ownership.** On or before the commencement date of this lease, Lessee shall provide the County with a copy of the federal registration certificate establishing Lessee's ownership

of an airplane. Prior to placing any aircraft in a T-Hangar unit, Lessee shall provide County in writing the following information, also known as the "Checklist for Lessee."

a. Aircraft Type

b. Serial Number

c. Registration Number (N-number)

d. Present Condition of Aircraft (Airworthy or Not Airworthy)

e. Insurance Certificate(s)

f. Contact Information

5. **Hangar Use.** Hangar shall be used for an aeronautical purpose such as:

a. Storage of active, airworthy aircraft;

b. Shelter for maintenance, repair, or refurbishment of aircraft, but not the indefinite storage of non-operational aircraft;

c. Non-commercial construction of amateur-built or kit-built aircraft;

d. Storage of aircraft handling equipment, (e.g. tow bar, glider tow equipment, work benches, tools and materials used to service aircraft); and

e. Storage of materials related to an aeronautical activity (e.g. balloon and skydiving equipment, office equipment, teaching tools).

Provided the hangar is used primarily for an aeronautical purpose, Lessee may store nonaeronautical items in the hangar provided they do not:

a. Interfere, in any manner, with the entrance, storage, or removal of aircraft, with interference being solely defined by the County.

b. Displace the aeronautical contents of the hangar. A vehicle parked at the hangar while the vehicle owner is using the aircraft will not be considered to displace the aircraft;

c. Impede access to other aeronautical contents of the hangar; and

d. Violate building codes or local ordinances.

Lessee shall not conduct non-aeronautical business activities out of the hangar nor store items in support of a non-aeronautical business.

At no time shall the Lessee store any flammable material (except for fuel in the aircraft) nor shall the Lessee store explosives or other dangerous or hazardous materials, in or around the hangar, without the County's prior written consent.

Lessee shall not hereafter make use of the premises in any manner which might create electrical or electronic interference with navigational signals or radio communications, impair the ability of pilots to visually distinguish the airfield, or otherwise endanger the landing, taking off, or maneuvering of aircraft. County reserves the right to enter upon the premises hereby and abate any such hazard at the expense of Lessee.

6. **Prohibited Hangar Uses.**

   a. Used as a residence.

   b. Operation of any business whatsoever without the expressed written consent of the County.

   c. Activities which impede the movement of aircraft in and out of the hangar.

   d. Storage of household items that could be stored in a commercial storage facility.

   e. Long-term storage of derelict aircraft and parts. Long-term being solely defined by the County.

   f. Hazardous items not authorized within this Agreement.

   g. Other non-aeronautical uses unless so authorized by the Airport Manager in compliance with FAA Policy.

   h. Any other use not expressly authorized by this Lease Agreement.

7. **Nonexclusive Rights.** Lessee shall have the nonexclusive right, in common with others so authorized:

   a. To use the common areas of the airport, including runways, taxiways, aprons, roadways, floodlights, landing lights, signals and other conveniences for the take-off, flying and landing of aircraft.

   b. To use the common areas of the hangar area in such a way as to not block any aircraft access to the hangar area or to their T Hangar.

   c. To use the airport parking areas, appurtenances and improvements thereon, but this shall not restrict the right of the County to charge fees for the use of such areas.

d. To use all access ways to and from the premises, limited to streets, driveways or sidewalks designated for such purposes by the County, and which right shall extend to Lessee's employees, passengers, guests, invitees, and patrons.

8. **Airplane Required.** On the commencement date of this Lease, the Lessee shall maintain an airplane on the premises. This means the aircraft shall be based at Houston County Airport as defined by the Federal Aviation Administration (FAA). T-hangar units will be leased to any individual currently owning an operational aircraft, or to an individual actively seeking an operational aircraft. If a T-hangar is leased to an individual actively seeking an operational aircraft, Lessee must obtain and occupy T-hangar with operational aircraft and provide Airport Manager with information contained on "Checklist for Lessee" within three (3) months of execution of lease agreement. If Lessee does not obtain an operational aircraft and provide "Checklist for Lessee" information, County will notify Lessee of termination of the Lease Agreement. If the original aircraft shown on the Agreement is sold or removed with the intent of being replaced and if this replacement is not done within 90 calendar days, the County may terminate the Agreement. If documentation is provided that this timeframe cannot be met, this period may be extended at the sole discretion of County. The County may request proof of aircraft ownership or usage rights from the Lessee during the term of this Lease. Lessee must notify County Airport Manager of any change of aircraft related to this lease agreement.

9. **Operational Aircraft.** T-hangar units shall be used only for the storage of active and operational aircraft. Active and operational aircraft shall be defined to mean all aircraft currently licensed, airworthy, and flyable, which are flown to and from the Houston County Airport periodically during the year and have a current FAA airworthy certificate. T-Hangar units may be used for building an aircraft but not without the expressed written consent from the Airport Manager. For Lessees building an aircraft, a plan to get the aircraft airworthy will be required, along with regular plan updates as required by the Airport Manager.

10. **Alterations.** The Lessee shall not make any alterations or improvements to the hangar without the written consent of the County and then only in strict compliance with any such written consent, which may include, but is not limited to, the request for specific design, engineering, or architectural plans. Additionally, the County may require Lesse to enter into additional agreements for the construction of any alterations or improvements. At the termination of the leasehold such improvements or alterations shall become the property of the County unless otherwise agreed upon in writing

11. **Damage to Premises.** Lessee shall not cause or permit any waste, damage or injury to the premises. The Lessee shall be responsible for any damage to the premises done by the Lessee, its agents, employees, guests or invitees. Lessee hereby agrees that it shall immediately repair the damage to the premises or shall immediately reimburse the County for same.

12. **Locks.** No private locks of any type will be allowed on individual pedestrian doors. If private locks are installed, they will be removed at the discretion of the County. The County will provide two keys for the hangar door. Lessee agrees not to duplicate the key. Additional keys will be provided at non-refundable $5.00 per key and the key shall remain the property of the

County. County may require a security deposit on keys. All keys shall be returned to the County upon termination of this Agreement. The County shall have the right to change the locks, re-key, add additional locks, or security devices to the premises. The County shall provide Lessee will any locks necessary in the event the premises are re-keyed or additional locks are added.

13. **Waste Oil and Garbage.** Waste oil shall be taken off airport property and disposed of only in an approved method and location. Disposing of any petroleum products on any portion of the Airport shall be cause for immediate termination of this Agreement at County's discretion. All other items detrimental to the environment shall be disposed of properly. Garbage shall be taken off airport and disposed of. The Lessee of each T-hangar unit shall be responsible for the proper disposal of all materials generated from or within that unit. The cost of cleaning up any materials improperly disposed of on airport properties shall be charged to the Lessee of the unit which generated or was the source of the material.

14. **Cleanliness of Hangar.** Lessee shall be responsible for the cleanliness of the T-hangar unit. Lessee covenants and agrees that it shall not use the leased premises nor permit the use of the leased premises in any manner that will constitute waste, and that it shall not cause or permit any unlawful conduct, unreasonable annoyance, damage, or nuisance to exist or arise in the course of, or as a result of, its use of the leased premises, nor permit any activity or omission that constitutes or results in the same. When, in the opinion of the County, a safety hazard or nuisance is found to exist within a T-hangar unit, Lessee will be provided with notice providing for a two (2) week cleanup limit. If the cleanup is not completed within the designated time, the County will perform all cleanup, which, in its discretion, it deems necessary, and the cost of which shall be charged to the Lessee.

15. **Electric Radiant Type Pre-Heaters.** Electric engine pre-heaters will not be allowed in any T-hangar unit without obtaining a separate permit from the County authorizing its use. The cost of the permit is indicated on the permit application and shall authorize the use of the heaters from the 1st of November to the 31st of March in each winter season. Lessee agrees that the electric pre-heaters will only be used for a limited amount of time immediately prior to flight. In no case shall light bulbs be used as a radiant-type engine pre-heater. Fuel-fired, UL listed hot-air type heaters are permitted at no additional charge so long as the lessee is present at all times while the heater is in operation.

16. **Operating Aircraft Inside Hangar.** The Lessee agrees that no aircraft engine shall be operated inside the T-Hangar.

17. **Hangar Doors.** Lessee agrees the T-Hangar doors shall be closed and the lights turned off when the T-Hangar is unattended. If the hangar is equipped with electric doors, Lessee must remain at the door during operation. Any damage due to leaving the door unattended during operation will be the sole responsibility of Lessee.

18. **Aircraft Fueling.** Aircraft fueling inside the hangar is not allowed.

19. **Signs.** No signs or advertising matter may be erected on the leased premises without the prior written consent of the County.

20. **Laws.** Lessee agrees to comply with any and all applicable federal, state, and local laws, regulations, and orders, and any amendments thereto. County will reasonably inform Lessee of changes to County/Airport regulatory requirements.

21. **Rules and Regulations.** The County has the right to create and adopt Rules and Regulations that may be amended from time to time. The Lessee agrees to observe and obey all current and future laws, ordinances, rules and regulations, promulgated and enforced by the County and by other proper County having jurisdiction over the conduct of operations at the airport, provided the same are consistent with the procedures prescribed or approved from time-to-time by the Federal Aviation Administration and others for landing and taking off of Lessee's aircraft. Lessee shall observe, obey, and require all of its officers, employees, agents, and invitees to obey and observe the same. Lessee agrees to indemnify and hold the County harmless for any loss or claim against the County from the failure of Lessee to comply hereunder.

    Lessee warrants that Lessee will hold all certificates, permits, licenses, or other entitlements required by federal, state, or local laws in order to enable it to conduct its operations and services hereunder (including fueling and fuel storage), and that the same are and will be kept current, valid, and complete. Lessee further warrants that it shall at all times abide by and conform with all terms of the same and that it will give immediate notice to the County of any additions, renewals, amendments, revocations, or suspensions.

22. **Security.** Lessee shall at all times comply with airport security requirements and agrees to indemnify and hold harmless the County from any violations of said requirements committed by the Lessee, its agents, representatives, assigns, guests, invites, or people admitted to Leased Premises by the Lessee. Any violation of this paragraph is considered a material breach of this Hangar Agreement authorizing the termination thereof at the election of the Airport Manager. By accepting this Lease Agreement.

    a. Lessee acknowledges County's responsibility to maintain the integrity of the airfield and agrees to comply with all Airport rules and regulations, security procedures and Federal Aviation rules, regulations and guidelines pertaining to the security and safety of the Leased Premises and adjacent area and the airfield operations area, including the ingress and egress thereto.

    b. Should the Transportation Security Administration determine that security has been breached due to the negligence of Lessee and fine the Airport, Lessee agrees to reimburse Airport for the amount of the fine.

23. **Commercial Operations.** Lessee shall be prohibited, either directly or indirectly, from conducting or promoting any commercial activities within the Leased Premises or in the T-hangar area, unless otherwise licensed or authorized by the County to do so in compliance with

Airport Rules & Regulations and Minimum Standards. For the purpose of this Agreement, commercial activity shall mean the provision of a product or service, whether payment occurs in the form of cash or credit, or barter, including, but not limited to, maintenance or inspection of aircraft not authorized herein, flight training, and sale of aircraft parts or supplies.

24. **Exterior Building Maintenance.** The County shall perform routine repairs and maintenance on the exterior and roof of, and the grounds adjacent to, the leased premises. Lessee shall promptly report to the County any such need for maintenance that Lessee observes.

25. **Airport Maintenance.** County reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing and taxi areas of the airport and all publicly owned facilities of the airport, together with the right to direct and control all activities of Lessee in this regard in the County's sole discretion.

26. **Airport Development.** The County reserves the right to further develop and improve the airport as County sees fit, regardless of the desires or views of the Lessee, and without interference or hindrance from the Lessee.

27. **Snow Removal.** The cost for customary maintenance routinely performed by the County, related to areas affecting the value or use of leased properties are included in the annual lease costs charged for the property, and includes snow removal, grounds maintenance and maintenance of apron areas. Snow removal is performed by County employees on a priority basis. The County of Houston reserves the right to perform snow removal functions in whatever manner it deems necessary. In any case, snow removal in front of buildings is the tenant's responsibility. The County is not required to perform any snow removal function on leased property but may plow snow on or adjacent to leased properties to expedite other snow removal operations at the airport.

28. **Private Vehicle Parking.** Lessee's private vehicle shall be allowed to be placed in a T-hangar when the aircraft is removed for a trip. Parking on the sides of the T-hangar is permitted so as to not impede the ability of aircraft to taxi in the T-hangar area or past the building.

29. **Right of Entry.** County reserves the right for itself or agents to go on, into, and have access at all times during the existence of this lease, to said premises for the purpose of, including, but not limited to, inspection and showing of the building. County may conduct inspections of all T-hangar units to ensure cleanliness, inspect for hazardous substances and/or materials, make any repairs, complete any work, verify heater/electric usage and ensure compliance.

30. **Indemnification.** The County shall not be liable to the Lessee, and Lessee agrees to indemnify, hold harmless and defend County, and its employees, officials, and agents from and against, any and all claims, damages, losses and expenses, including reasonable attorney fees, caused by the acts or omissions of the Lessee, its family, guests, invitees, employees, agents, representatives or servants, relating to or arising out of Lessee's use and enjoyment of the Airport or the rights and privileges granted by this Lease, provided the Lessee shall not be liable for any loss caused by the negligent, intentional, or willful misconduct of County. The

County shall not be liable for any loss or damage not caused by negligent acts or omissions of the County, which Lessee may sustain from the following acts, including, but not limited to:

a. Theft or burglary in or about the premises;

b. Delay or interruption in any utility service from any cause whatsoever;

c. Fire, water, rain, frost, snow, gas, odors or fumes from any source whatsoever;

d. Any injury to any person or damage to any property; or

e. Failure to keep the Airport premises, appurtenances, fixtures and/or equipment in repair.

This agreement to indemnify and hold harmless does not constitute a waiver of limitations on liability provided by Minnesota Statutes, Chapter 466.

31. **Abandonment.** If the Lessee fails to use the hangar, for the purpose of storing aircraft owned by the Lessee, for a continuous period of six (6) months, without the express written consent of the Airport Manager, then the County may, in County's sole discretion, terminate this lease.

32. **Liens and Encumbrances.** The Lessee shall neither create, nor cause or permit to be created, any lien, encumbrance, security interest or other charge, including liens for work, labor or materials furnished, or alleged to have been furnished, on the leased premises.

33. **Holdover.** In the event that the Lessee should hold over and remain in possession of the Hangar after the expiration of the term of this Agreement or termination for any other cause, such holding over shall be deemed not to operate as a renewal or extension of this Agreement. The resulting tenancy shall, unless otherwise mutually agreed, be on a month-to-month basis until such time as Lessee shall surrender the leased premises. During such month-to-month tenancy, Lessee shall pay rental payments to the County equal to those stated in this Lease Agreement and shall be bound by all of the provision of this Lease Agreement insofar as they may be pertinent.

34. **Minimum Standards.** The County has implemented Airport Minimum Standards, and the County reserves the right to modify the standards from time to time as it deems necessary to accomplish its purposes. Lessee shall at all times comply with the current Minimum Standards of the Airport and will require its agents, representatives, assigns, guests, employees, invites, or people admitted to Leased Premises by the Lessee to also comply with the standards. Any violation of this paragraph is considered a material breach of the Agreement authorizing the termination thereof at the election of the County.

35. **Hull Insurance.** Lessee shall carry hull insurance on each aircraft stored on the leased premises. The limits of the insurance shall be in an amount equal to or greater than the current value of the aircraft, instruments, and accessories. On or before the date of this lease, Lessee shall provide a Certificate of Insurance to the County indicating the required coverage and providing for a minimum of thirty (30) days notice to a change or cancellation of that coverage.

If Lessee opts not to meet the insurance minimums outlined in this paragraph, Lessee must also sign Addendum B.

36. **Liability Insurance.** The Lessee shall maintain a policy of general liability or aircraft liability insurance with a premises liability extension with a company licensed to do business in Minnesota in a minimum amount of $1,000,000 per occurrence and $2,000,000 annual aggregate, for all damages arising out of bodily injury or property damage concerning the above described premises during the entire term of this lease naming County as an additional insured acknowledging that the Lessee's insurance will be primary and non- contributory. Lessee shall provide County with a certificate of said insurance or copy of insurance policy within 30 days of executing this Lease Agreement. County's review of any insurance certificate or policy does not constitute any representation or warranty that Lessee's insurance coverage is sufficient.

37. **Default and Termination.** If Lessee fails to make any of the above-mentioned payments as specified or fails to keep and perform any of the covenants and agreements herein contained, County may immediately and without notice terminate this lease and re-enter and repossess said premises, without prejudice, to its claims for earned cash rent. In all other cases, Lessee may terminate lease at the end of the term of this Lease Agreement. Lessee shall provide notice to County 90 days prior to the end of the lease term, that Lessee would like to not renew the lease agreement for an additional term. Lessee shall leave the Leased Premises broom-clean and in orderly condition, reasonable wear and tear excepted, at the termination of this Agreement. Upon expiration or termination of this Agreement, Lessee's rights herein shall cease, and Lessee shall immediately surrender possession and occupancy of the Hangar to County.

    a. **Default Defined:** Lessee shall be deemed in default upon

        i. Failure to pay rent or any other properly imposed fee within 30 days after due date.

        ii. The filing of any petition under the Federal Bankruptcy Act or any amendment thereto, including a petition for reorganization.

        iii. The commencement of any proceeding for dissolution or for the appointment of a receiver.

        iv. The making of an assignment for the benefit of creditors.

        v. Violation of any of the other terms or conditions of this lease after written notice to cease and/or correct such violation has been served upon the Lessee by the County, and after the Lessee has failed to correct such violation within thirty (30) days of service of such notice (or such later deadline as may be established in the Notice by the Lessee). Mailing notice by U.S. Mail, Certified Mail return receipt, shall constitute "service" of notice. In the case of a violation which cannot, with due diligence, be cured within a period established, the Lessee may apply to the County for an extension of time within which to cure said violation.

b. **Effect of Default:** Default by the Lessee shall authorize the County, at its sole option, to declare this lease void, to cancel the same, and to re-enter and take possession of the premises.

c. **Remedies:** Except otherwise provided herein, no right or remedy herein conferred shall be considered exclusive of any other right or remedy and each and every right and remedy shall be cumulative and in addition to any other right and remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

d. **Restoration of Property:** Upon termination of this lease, the Lessee shall remove all of its equipment and property and restore the leased premises to its original vacant condition, unless the County agrees, in writing, to accept all or any part of the property which the Lessee wishes to abandon.

38. **Subletting.** This lease shall not be sold, assigned, or in any manner transferred or encumbered by Lessee, nor shall the leased premises or any part thereof be sublet without the prior consent of County in writing. Lessee shall keep and use the T-hangar primarily for aircraft storage purposes and for no unlawful purpose whatsoever. A sublease will not be allowed without the express written consent from the Airport Manager. Any sublease will be full-time and have an aircraft based at Houston County Airport. Sublease rental rate shall be based of the actual number of days sublet and may not be greater than the prorated rental fee charged in this agreement.

39. **Subordination Clause.** This lease shall be subordinate to the provisions of any existing or future agreement between the County and the United States or the State of Minnesota relative to the operation or maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal or state funds for the development of the airport. Furthermore, this lease may be amended to include provisions required by those agreements with the United States or the State of Minnesota.

40. **National Emergency.** During time of War or other State or National emergency, the County shall have the right to suspend this Contract and to turn over operation and control of the Airport to the State of Minnesota and/or the United States Government. During any period when the airport shall be closed by any lawful County, thereby restricting the use of the airport in such a manner as to interfere with the use of same by Lessee, the rent shall abate.

41. **Nondiscrimination.** The Lessee, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

a. No person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Subject Property or Lessee's Improvements.

b. In the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be

excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination,

c. The Lessee shall use the Subject Property and Lessee's Improvements in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination, in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

42. **Dispute Resolution.** Any controversy or claim arising out of or relating to this lease or any alleged breach thereof, which cannot be settled through negotiation between the parties, the parties agree first to try in good faith to settle the dispute by mediation, with a mediator agreed to by the parties. If the dispute is not resolved within (30) days after the end of mediation proceedings, the parties may pursue any legal remedy.

43. **Severability.** This lease shall be construed under the laws of the State of Minnesota. Any covenant, condition, or provisions herein contained that is held to be invalid by any court of competent jurisdiction shall be considered deleted from this lease, but such deletion shall in no way affect any other covenant, condition, or provision herein contained so as such deletion does not materially prejudice County or Lessee in their respective rights and obligations contained in the valid remaining covenants, conditions and provisions of the lease, and when such occurs, only such other covenants, conditions or provisions shall be deleted as are incapable of enforcement.

44. **Notices and Contact Information**. All notices and other communications pursuant to this Lease must be in writing or delivered by hand at the addresses set forth below. Lessee must contact County within ten (10) days if Lessee's contact information changes. Lessee will be considered in default of this Agreement if County is unable to reach Lessee by phone or email in a timely fashion for any reason.

Notice to County: Houston County Airport
C/O Houston County Auditor
304 South Marshall Street
Caledonia, MN 55921

Notice to Lessee:

Prior to May 1, 2027
Name: Dr. George Bolon
~~Win AIR Aviation~~ B2 W Corporation
Street Address, City, State, ZIP: 106 Galewski Dr, Winona, MN 55987
Email Address: gbolon@hbci.com
Phone Number: (507) 313-8720 ☐ Cell ☐ Landline

As of May 1, 2027
Name: Dr. George Bolon
~~Win AIR Aviation~~ BLW Corporation
Street Address, City, State, ZIP: 213 Patenaude Dr, Winona, MN 55987
Email Address: gbolon@hbci.com
Phone Number: (507) 313-8720 ☒ Cell ☐ Landline

45. **Nonwaiver.** No waiver of default by either party of any of the terms, covenants, and conditions hereof to be performed, kept and observed by the other party shall be construed as, or operate as, a waiver of any subsequent default of any of the terms, covenants, or conditions herein contained to be performed, kept or observed by the other party.

46. **Entire Agreement.** This Lease Agreement, including attachments hereto at the time of its execution, constitutes the entire agreement between the parties hereto, and all prior agreements covering the rights and privileges set out herein are superseded by and merged into this Lease Agreement.

47. **Governing Law.** This Lease Agreement shall be deemed to be made in and construed in accordance with the laws of the State of Minnesota. Any claim or controversy herd under this Lease Agreement shall be venued in Houston County, Minnesota.

IN WITNESS WHEREOF, the parties hereto have executed this lease this _____day of _____, 20____.

HOUSTON COUNTY AIRPORT-
HOUSTON COUNTY BOARD
OF COMMISSIONERS

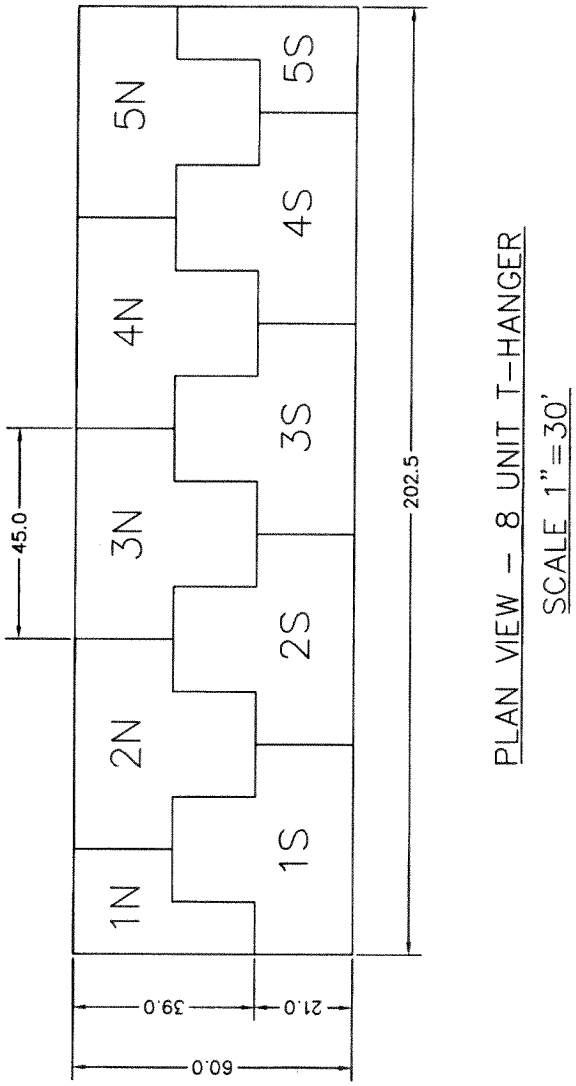
By _____
Its Board Chair

LESSEE

G. Bolon Pres.
Lessee Signature

ADDENDUM "A" TO THE HOUSTON COUNTY AIRPORT

T-HANGAR LEASE AGREEMENT



PLAN VIEW – 8 UNIT T-HANGER
SCALE 1"=30'

13

ADDENDUM "B" TO THE HOUSTON COUNTY AIRPORT

T-HANGAR LEASE AGREEMENT

In lieu of carrying hull insurance required by paragraph 36 of the Airport T-hangar Lease Agreement and as an additional requirement for the lease of T-hangar space, Lessee covenants and agrees that Lessee will not hold the County of Houston or any of its agents, employees, or Airport Commission members responsible for any loss occasioned by fire, theft, rain, windstorm, hail, or from any other cause whatsoever, whether said cause be the direct, indirect, or merely a contributing factor in producing the loss to any airplane, automobile, personal property, parts, or surplus that may be located or stored in the T-hangars, aprons, field, or any other location at the airport; and Lessee agrees that the planes and the contents are to be stored, whether on the field or in the hangars, at Lessee's risk.

HOUSTON COUNTY AIRPORT-
HOUSTON COUNTY BOARD
OF COMMISSIONERS

LESSEE

By _____

Its Board Chair

G Baker Pres.

Lessee

UNIT 3N

CHECKLIST FOR LESSEE

1. Aircraft Type: _____
2. Serial Number: _____
3. Registration Number: _____
4. Present Condition of Aircraft (airworthy, under construction, etc.): _____
5. Copy of Insurance Certificate with Additional Insured listed
6. Copy of Airworthiness Certificate (Proof of Ownership)
7. Engine Pre-Heater Permit: ____ Number of Engines x $50.00 = _____
8. Confirmed Contact Information is accurate in the lease

Lease payments are to be received prior to the commencement date for which they are due. No statements are sent by the County. **Payments are to be made payable to the Houston County Treasurer.**

If an electric engine pre-heater is used (November 1st through March 31st), it must be indicated on the form and a check for $50.00 per engine for seasonal use shall be enclosed.

If you do not wish to renew your lease, written notification of intent not to renew must be provided.

UNIT 5N

CHECKLIST FOR LESSEE

9. Aircraft Type: _____

10. Serial Number: _____

11. Registration Number: _____

12. Present Condition of Aircraft (airworthy, under construction, etc.): _____

13. Copy of Insurance Certificate with Additional Insured listed

14. Copy of Airworthiness Certificate (Proof of Ownership)

15. Engine Pre-Heater Permit: ____ Number of Engines x $50.00 = _____

16. Confirmed Contact Information is accurate in the lease

Lease payments are to be received prior to the commencement date for which they are due. No statements are sent by the County. **Payments are to be made payable to the Houston County Treasurer.**

If an electric engine pre-heater is used (November 1st through March 31st), it must be indicated on the form and a check for $50.00 per engine for seasonal use shall be enclosed.

If you do not wish to renew your lease, written notification of intent not to renew must be provided.